

12/20/11 - RWJF report explores Exchange options for States

The Robert Wood Johnson Foundation (RWJF) released a report today that explores three ways that states can comply with the Affordable Care Act's (ACA's) health insurance exchange provision. First, states can establish an exchange of their own; second, states can default to a federal exchange; or third, states can create a hybrid exchange. On behalf of the National Academy of Social Insurance (NASI), the authors evaluated the considerations associated with each option to help states determine which model may work best for the unique needs of their residents. Although the underlying goals are the same in all three Exchange models, there are differences in the amount of flexibility and autonomy granted to the States with each. State Exchanges, for example, offer the greatest independence in functions like coordinating plan enrollment, eligibility, and financial management. States cede much of this autonomy with the Federal Exchange model. As its name implies, the Hybrid Exchange allows states to retain responsibility for certain core functions, while importantly, also providing an interim pathway for an eventual State Exchange. The authors conclude that regardless of the model, success can only be achieved through intensive collaboration between individual states and the U.S. Department of Health & Human Services.